

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF COMMUNITY AFFAIRS**

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**CDBG****Community Development Block Grant Program****MANAGEMENT MEMORANDUM****Memorandum Number 05-04****TO: All CDBG Eligible Jurisdictions and CDBG Interested Parties****DATE: June 20, 2005****SUBJECT: Fiscal Year 2005-06 Economic Development Allocation Workshops****Purpose of this Memo**

This memo is an invitation to all eligible jurisdictions and interested parties to attend the 2005-06 Community Development Block Grant (CDBG) Economic Development workshops. The dates, locations and agenda for the summer sessions are shown on the following pages.

The CDBG Program is pleased to announce the launching of a series of Economic Development workshops for Fiscal Year 2005-2006 with the introduction of a brand new session on ***Revolving Loan Fund and Microenterprise Programs***. This workshop will be offered in June and July 2005. Please see below for the workshop description, dates, and locations.

The Notice of Funding Availability (NOFA) for the Over-the-Counter (OTC) component of the CDBG Economic Development Allocation will be released in early July 2005. We will continue to offer the ***“Art of the Deal” workshop*** which was well received last year. This year we will combine this session with the OTC application training. The combined sessions will be offered throughout the year with the first being held on July 15, 2005 in West Sacramento. Please see below for the workshop description and location

**Workshop Descriptions****“RLF and Microenterprise Program Development and Operation”**

The training session will provide insights into how to effectively develop and operate Revolving Loan Fund and Microenterprise programs under HCD’s CDBG Enterprise Fund program. Topics were selected to provide first time operators and those wishing to improve an existing program with basic guidelines for:

- RLF operation including program marketing and applicant screening, underwriting basics, loan packaging/committee presentation, loan closing, funds disbursement, loan servicing, and portfolio management.
- Microenterprise program operation including basic program design, eligible uses of funds, and cost allocation planning.

For new program developers the session will also look at the approach to conducting a market needs assessment.

The session instructor will be Chuck Wolfe, Principal of Claggett Wolfe Associates. Chuck has hands on experience in running RLF programs and currently serves as the technical advisor to HCD Financial Assistance Division's CDBG program. Chuck has also taught similar classes on loan program design and portfolio management at the state and federal level.

*(Please note that this is not an application training workshop. The Enterprise Fund NOFA will be released in early September 2005 and the Enterprise Fund application workshops will be offered soon thereafter.)*

### **“The Art of the Deal: Guidelines for Developing a Successful OTC Project”**

Putting together a successful Over-the-Counter (OTC) project can be both rewarding and challenging. This session is designed to walk participants through the *ins* and *outs* of putting together a successful OTC deal. Topics will include:

- Structuring the public and private funding aspects of the deal
- Conforming with CDBG guidelines
- Evaluating project readiness
- “Gap” analysis and basic underwriting guidelines

The session instructors will be Janet Myles, HCD CDBG program staff and OTC specialist, and Chuck Wolfe, Principal of Claggett Wolfe Associates the technical advisor to HCD Financial Assistance Division's CDBG program.

#### **Who should attend?**

We encourage you to attend the “*RLF and Microenterprise Program Development and Operation*” session if you have received an Enterprise Fund award or if you want to learn about these programs and learn how to determine whether there is a need for these programs in your community.

The “*Art of the Deal and OTC Application*” workshop is most important to those jurisdictions intending to submit an Economic Development Over-the-Counter application in the FY 2005-06 funding round.

Jurisdictions and interested parties should plan to attend the workshop in their region. **Travel to these workshops is an allowable CDBG expense under general administration.** An EDBG Field Representative will be available for consultation at the workshops.

#### **For further information:**

Contact the CDBG-ED program Secretary at (916) 263-0484 or your ED Regional Representative.

# **CDBG Economic Development Summer Workshop Schedule Fiscal Year 2005-06**

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**Time:** All workshops will open for registration at **8:00am** and **begin at 8:30am**. The workshops will adjourn at **4:00pm**, but staff will be available to meet with you after the workshops.

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## **RLF and Microenterprise Program Development and Operation**

### **June 28, 2005 --EUREKA**

Office of Education  
901 Myrtle Avenue  
Sequoia Rooms A & B  
Eureka, CA

### **June 30, 2005 – COACHELLA**

DACE Office  
53990 Enterprise Way  
Coachella, CA  
(Note: Free parking next to building.)

### **July 26, 2005 – ATWATER**

Castle Airport  
Castle Conference Center  
1900 Airdrome  
Atwater, CA  
(Note: Free parking next to building.)

### **July 27, 2005 -- WEST SACRAMENTO**

City of West Sacramento  
1110 West Capitol  
Civic Center Galleria – Rooms 157 and 160  
West Sacramento, CA

## **“The Art of the Deal”: Guidelines for Developing a Successful OTC Project and OTC Application Workshop**

### **July 15, 2005 – West Sacramento**

City of West Sacramento  
1110 West Capitol  
Civic Center Galleria – Rooms 157 and 160  
West Sacramento

*(Note: This workshop will be offered in late September and October 2005 in various locations. An announcement for these workshops will be sent out in early September.)*